

# **7 FAM 620 PROCEDURES FOR FUNDS CONTROL INQUIRIES**

*(TL:CON-7; 7-30-84)*

Posts may receive inquiries from citizens requesting information on applicable financial control regulations in a particular country.

## **7 FAM 621 FOREIGN EXCHANGE REGULATIONS**

Foreign exchange regulations change from time to time. It is essential that consular officers be alert to such changes and be able to inform inquiring U.S. citizens and the Department (CA/OCS/CCS) about them.

### **7 FAM 621.1 Foreign Exchange Information**

Consular officers should be familiar with general practices in the country to which they are assigned regarding foreign exchange control regulations and the transfer of funds to the United States. Officers should be aware also that declarations or restrictions on the amount of money which may be brought into the country may be a customs matter as well. They should establish a working relationship with foreign officials to obtain information that would apply to citizens who are interested in opening or closing a local bank account. In some countries hard currency remitted through banking channels is tightly controlled. In some countries a U.S. citizen who wishes to reside there is required to report the acquisition of assets in the United States or a third country.

### **7 FAM 621.2 Consular Guidance**

Consular officers should be aware of such requirements and should, to the extent that they are permitted to do so, assist citizens without placing themselves in the position of an attorney, agent, or fiduciary. Consular officers should not serve as intermediaries in the transfer of funds to private persons abroad or to citizens in the United States. Sample information sheets are furnished in section 7 FAM 621 Appendix A 621.2 , Foreign Exchange Regulations in France, and Appendix B, Information Sheet on Blocked Accounts in Greece, as examples of information that a post may be expected to provide to private U.S. citizens on foreign exchange regulations.

## **7 FAM 622 COLLECTION CASES SUBMITTED BY FOREIGN NATIONALS**

Posts may receive requests either directly from a foreign national or from a foreign authority on behalf of one of its nationals to provide a current address of a U.S. citizen or to contact that citizen on behalf of the requester to assist in collecting payment for a hotel bill or other expenses incurred but not paid by the citizen.

### **7 FAM 622.1 Privacy Act Restriction**

The Privacy Act of 1974 (5 U.S.C. 552a) does not permit disclosure of personal information about U.S. citizens without their consent. Therefore, if possible, in debt collection matters, posts should notify the U.S. citizen directly that a request has been received from a foreign national. Consular personnel are not authorized to serve as debt collectors.

### **7 FAM 622.2 Extent of Consular Assistance**

Failing an amicable settlement, the inquirer may be advised to seek further assistance from the foreign national's own government's representative in the United States. In some cases, if the state of residence in the United States is known, the names of several attorneys and law firms listed in the Martindale-Hubbell Law Directory may be furnished.

## **7 FAM 623 TAXATION**

At many Foreign Service posts consular officers receive inquiries about taxation in the host country.

### **7 FAM 623.1 Local Sources of Information**

Information for the purpose of replying to inquiries on the subject of taxation in a foreign country may be obtained through local tax officials. The consular officer may refer the inquirer to the foreign laws digests of the Martindale-Hubbell Law Directory, under the subject heading of "taxation," which identifies applicable laws and regulations that may be useful.

### **7 FAM 623.2 Treaty Provisions**

Consular officers are expected to be aware of the existence of any treaty in force between the United States and the foreign country of assignment on the subject of taxation. A list of these treaties and other international agreements in force for the United States may be found in the Department's publication *Treaties in Force* (see section 7 FAM 617 ).

### **7 FAM 623.3 Tax Refund Information**

In some countries a refundable sales tax may be levied on goods sold or services rendered to tourists. If posts receive a considerable number of inquiries on procedures for obtaining a tax refund, the consular officer should consider developing an information sheet that responds to the questions.

## **7 FAM 624 THROUGH 629 UNASSIGNED**

## 7 FAM 621 Appendix A 621.2

(TL:CON-7; 7-30-84)

### FOREIGN EXCHANGE REGULATIONS

AMERICAN EMBASSY

PARIS, FRANCE

#### FOREIGN EXCHANGE REGULATIONS

##### For Visitors

U.S. citizens visiting in France should be aware that, under French exchange control regulations, there are limitations on: (a) the amount of French or foreign currency that foreigners are allowed to take physically out of the country when they leave, and (b) their ability to exchange French francs for foreign currencies prior to leaving.

Foreigners visiting France may import an unlimited amount of:

- a. French banknotes;
- b. Dollar currency;
- c. Currencies of other countries; and/or
- d. Any other means of payment established in their name outside of France, including traveler's checks.

If the total of all non-French currency imported exceeds the equivalent of 5,000 francs, it should be declared at the airport or border by completing a special form or declaration. Upon request, the required form will be provided and stamped by a French customs officer at the port of entry.

On leaving, travelers may take out of France:

- a. Not more than the equivalent of 5,000 francs in French and other banknotes, including dollar bills; and /or
- b. An unlimited amount of any other means of payment established in their name outside France, including traveler's checks.

One may, however, take out any amount in other than French banknotes declared on entry, upon presentation of that declaration.

Under the French exchange control regulations, travelers theoretically are not allowed to convert any of their excess French francs into dollar or their non-French currencies prior to leaving France (except for reconversion of up to 5,000 francs into foreign currency, upon presentation of the original exchange slip issued by a bank. Any remaining French banknotes must be deposited with the Customs officer against issuance of a receipt.) Travelers with special problems in this regard may do well to seek the assistance of a bank.

It is recommended, therefore, that U.S. citizens visiting France:

- a. Do not import into France amount of French franc banknotes in excess of their estimated requirements;
- b. Do not import into France other currencies (including U.S. dollars) totaling more than the equivalent of 5,000 francs

without declaring them at the airport or the border;

- c. Do not convert their traveler's checks into French francs for amounts greater than their estimated requirements in France; and
- d. Safeguard copies of customs declarations and currency exchange receipts.

There is no limitation on the amount of expenditures visitors from the United States can make with their credit cards.

#### For Residents

For U.S. citizens classified as "residents" in France, a different set of exchange control regulations apply. In view of the complexity of these regulations, a resident of France with specific questions should seek the assistance of a bank.

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## 7 FAM 621 Appendix B 621.2

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### FOREIGN EXCHANGE REGULATIONS IN GREECE

AMERICAN EMBASSY  
ATHENS, GREECE

#### FOREIGN EXCHANGE REGULATIONS IN GREECE

The export of funds from Greece is restricted by Compulsory Law 1704 of 1939. Export can be effected only with the permission of the Currency Committee (Nomismatiki Epitropi) of the Greek Government in cases involving large sums of money, or that of the Committee for Financial Needs in Exchange (Epitropi Oikonomikon Anangon Eis Synallagma) of the Bank of Greece, in the case of small sums of money. Both committees sit at the Bank of Greece, 17 Penepistimiou Street, Athens, Greece.

#### Blocked Accounts

Under provisions of the law cited above, funds acquired in Greece by permanent residents from foreign countries, through inheritance, the sale of property, or otherwise, must be deposited in the name of the owner in a blocked account in a local bank. These accounts now earn interest at a rate of 11.5 percent annually. Withdrawals from these accounts for transfer abroad can be made only with the approval of either of the committees referred to above.

#### Access to Blocked Account Funds

In order to obtain approval for withdrawal of funds, a petition to the appropriate committee must be filed by the account holder through the bank in which the blocked account is on deposit. In view of the magnitude of the holdings in Greece of Greek citizens who are abroad, foreign nationals of Greek extraction, and foreigners who reside in foreign countries, approval of petitions involving large sums of money usually is not granted. However, on compassionate grounds, small sums of money may be released from time to time to account holders who are unable to support themselves because of ill health or old age.

In such cases, each petition must be accompanied by an official statement attesting to the person's difficult circumstances, signed by the Greek consular officer who has jurisdiction over the area of residence of the petitioner. The consular statement will be issued upon presentation of medical and other appropriate evidence of the account holder's ill health and inability to maintain self-support or secure proper medical care due to lack of adequate income. The consular statement is valid for one year and will cover any number of petitions.

Funds from blocked accounts may be used by the owner for investment purposes in Greece, such as the purchase of property and Greek stock exchange listed securities, and the establishment of a business, for payment of income tax and estate tax on property

owned or inherited in Greece, and repairs to property located in Greece. Withdrawals and the amounts to be released are subject to approval of the Bank of Greece.

#### Limitation on Funds Release

A maximum of 100,000 drachmas may be released per month, for use in Greece, to the holder of a blocked account residing permanently in any of the following countries: Austria, Belgium, Canada, Denmark, France, West Germany, Great Britain (metropolitan area), Iceland, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Sweden, and the United States of America. Withdrawals are made irrespective of the source from which the funds were acquired or when they were acquired. No permission is required for the first withdrawal. Approval of the Bank of Greece is necessary for subsequent withdrawals.

A maximum of 50,000 drachmas per year may be withdrawn by an immediate family member of a blocked account holder visiting Greece (husband, wife, child, or parent bearing the same surname as the blocked account holder), for living expenses in Greece, upon petition to the Committee of Compulsory Law 1704 of 1939 (Epitropi Anagostikou Nomou 1704/1939) of the Bank of Greece. The petitioner must be in possession of a power of attorney from the account holder, signed before a Greek consular officer, authorizing the petitioner to withdraw funds from the blocked account. The same maximum amount may be released to two or more immediate family members, not to each one separately, applying at the same time for withdrawal.

A maximum of 5,000 drachmas per month may be released also to a needy parent or parents of the account holder who reside in Greece, upon presentation of a power of attorney prepared as indicated in the previous paragraph.

Rentals from property owned by a permanent resident of a foreign country also must be deposited in a blocked account. However, upon petition for the proceeds by the account holder, a maximum of the equivalent of \$2,000 in drachmas from such blocked account may be released and exported per year in foreign currency to the account holder by the bank holding the account. For this purpose the petitioner must submit an annual statement to the bank, issued by the Greek consular officer in the area of the petitioner's residence, showing that the petitioner continues to reside permanently in the United States or in one of the other countries named above, and that the funds to be released and exported to the petitioner represent rentals collected during the current and/or immediately preceding year.

#### Disposition of Property in Greece Owned By Residents of Foreign Countries

As stated on page 1 (Blocked Accounts), the proceeds of the sale

of real property owned in Greece by permanent residents of a foreign country must be deposited in a blocked account in a bank in Greece. However, if both the seller and the buyer are permanent residents of the United States or one of the other countries listed on page 2, and provided that the deed of sale is executed before a Greek consular officer, the purchase price agreed upon can be paid directly in foreign currency to the seller by the buyer after the transfer tax has been deducted and collected by the Greek consular officer. Payment of the transfer tax must precede the signature of the deed. No prior approval of the Currency Committee or the Bank of Greece is required.

The transfer of funds from Greece abroad is a matter which lies completely within the jurisdiction of Greek authorities. Unfortunately, there is no action which the Embassy appropriately can take to influence a favorable decision on behalf of U.S. citizens. Any U.S. citizen who wishes to export funds owned in Greece has only one recourse, that is, to apply to the Currency Committee or the Committee for Financial Needs in Foreign Exchange for export approval.

If official confirmation or clarification of these foreign exchange regulations is desired, it is suggested that the interested parties write directly to the Blocked Accounts (Desmevmenai Katatheseis) Department of the Bank of Greece, 17 Panepistimiou Street, Athens, Greece.

10/31/79  
Embassy Athens